

REPORT TO: COMMUNITIES COMMITTEE ON 6 OCTOBER 2009

**SUBJECT: PRIVATE SECTOR HOUSING REVISED GRANTS BUDGET
2009/10**

BY: DIRECTOR OF COMMUNITY SERVICES

1. REASON FOR REPORT

- 1.1 This report is presented to Committee to seek approval for a revised Private Sector Housing Grant Budget for 2009/10 and to seek Committee approval to forward commit expenditure to this budget into 2010/11.
- 1.2 This report is submitted to Committee in terms of the Council's Administrative Scheme relating to Private Sector Housing.

2. RECOMMENDATION

2.1 It is recommended that the Communities Committee:-

- (i) **approves the revised Private Sector Housing Grants Budget as detailed in APPENDIX I; and**
- (ii) **agrees to forward-commit this budget into 2010/11 as detailed in this report.**

3. BACKGROUND

- 3.1 On 24 March 2009, the Communities Committee agreed the second part of a weighted two year budget for Private Sector Housing Grants (PSHG). Due to staffing shortages, certain categories of the budget were weighted to allow greater expenditure in the second year. This was made possible as the Scottish Government had enabled Councils to carry forward underspends from one year to the next. Committee was informed at this time that there would be a projected underspend in the first year of £0.250m.
- 3.2 Due to the nature of expenditure of this budget, the exact underspend could only be determined after the end of the financial year. The underspend can now be reported as £0.203m.
- 3.3 PSHG allocation continues to be ring fenced until 2010/11 when funding will be distributed within the Council's General Capital Grant. Although the carry forward facility may be available in future years, it is perhaps prudent to fully commit all available funding this financial year. Despite the fact that future years funding has already been intimated, there is no guarantee that this figure will not be reduced further should there be uncommitted funds available at the end of the financial year.

- 3.4 Committee agreed at this time to allocate £0.799m to Category 4, which deals with Disabled Adaptations and Care & Repair applications and to allocate £0.164 to category 9, which deals with repair work.

4. PROPOSED REVISED GRANTS BUDGET

- 4.1 It is proposed to allocate the underspend brought forward from 2008/09 to the categories with the highest demand. It is proposed that Category 4 will increase by £0.178m, which will allow another 30 Disabled Adaptations and 10 Care & Repair applications to be approved. It is also proposed that Category 9 will increase by £0.025m which will help to clear the existing backlog of applications.
- 4.2 Certain categories within the existing PSHG budget are under pressure due to a larger than anticipated demand. It is therefore proposed to vire monies between categories to allow the greatest use of available funds.
- 4.3 It is proposed to vire £0.075m from category 8, which deals with Below Tolerable Standard housing, to category 4, which deals with Disabled Adaptations and Care & Repair applications. This is due to an increase in requests for financial assistance. Repair Grant assistance has also been higher than anticipated due in part to a greater demand for financial help in providing suitable drinking water. It is proposed to vire £0.025m from the Other Works category, where there has been no demand, to category 9 which deals with repair work.
- 4.4 The Private Sector Housing Grant section along with the Environmental Health section is working pro-actively to encourage owners of houses that are below the tolerable standard to upgrade them. Grant funds from category 8 are one of the tools used to assist owners of these houses. It is felt that any further virement from this category would be of detriment to this project.

5. PROPOSED FORWARD COMMITMENT OF BUDGET

- 5.1 In the past, it has been the practice to forward-commit this budget by as much as 50%. This was necessary, partly, to enable the full grant allocation to be expended within any particular financial year. This was done with the knowledge that the following years budget would be at least 80% of the preceding years. This forward-commitment also allowed for a continuity of service.
- 5.2 New legislation introduced on 1 April 2009 in regard to Disabled Adaptations increased the minimum percentage rate of grant from 50% to 80%. The legislation also further reinforced the fact that financial grant assistance for this type of work is mandatory and that applications should be processed without undue delay.
- 5.3 Staff are currently working with a small community, Glenallachie Cottages Aberlour, to replace the existing private water supply with mains water. There

has been some delay in securing additional external funding for this but it is felt that the commitment of grant assistance should be honoured.

- 5.4 To allow continued grant assistance to be available to these pressured areas, it is proposed to forward commit the PSHG budget in categories 4 and 9 by up to 30% - £0.300m and £0.064m respectively.
- 5.5 The total forward commitment would not exceed £0.364m. The current expectation for this budget for 2010/11 is £1.216m. The proposed forward commitment of £0.364m is 30% of the total budget.

6. SUMMARY OF IMPLICATIONS

(a) Single Outcome Agreement/Service Improvement Plan

The improvement of housing quality and maintaining individuals with disabilities within their homes and communities are key parts of the Community Plan, Corporate and Service Plans.

(b) Policy and Legal

The Council has a statutory duty, under the Housing (Scotland) Act 1987-2006, to provide mandatory grant assistance towards the adaptation of and certain repairs and improvements to, private sector housing.

(c) Resources (Financial, Risks, Staffing and Property)

Private Sector Housing Grant is a ring-fenced budget until 2010/11 and has to be spent on the activities specified by the Scottish Government. Future funding will be provided from the General Capital Grant, which will continue to identify the private Sector Housing Grant allocation until 2013/14.

(d) Consultations

The Director of Community Services, the Chief Housing Officer, the Housing Programmes Manager and the Chief Financial Officer have been consulted in the preparation of this report.

7. CONCLUSION

- 7.1 **This report presents a revised budget for 2009/10 for Private Sector Housing Grants. The report also requests a forward-commitment of a limited amount of funds into 2010/11.**

ITEM:

PAGE: 4

Author of Report: Ivor Mclvor, Home Improvement Services Manager

Background Papers: with author

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